It is unjust because the burdens of the higher rates fall in exactly the wrong places. First, they fall most heavily upon the poor who are the most defenseless against them. Second, they fall most heavily upon the homebuilders and the home buyers, whereas America's one greatest unmet economic and social need is for more good homes in good neighborhoods at costs they can afford. Third, high interest falls especially heavily on farmers, the very producers of whose production we need vastly more, if world hunger is to be prevented. And, fourth, small competitive businesses are severely penalized by high-interest rates in their struggle to stay alive in competition with giant conglomerate corporations.

Now what we don't need more of are big, fancy automobiles, a fifth color television set in every bathroom, or several billion more cigarettes. Yet the huge corporations that control these manufacturing segments of our economy are, generally speaking, not affected by the high-interest rates for the reason that their profit margins are generally so high that they can get all the financing they need from internal financing and without borrowing a cent.

At this point I cannot refrain from further discussion of the relation between the growing and almost all powerful monopolistic segment of our economy as contrasted with the struggling and disadvantaged sector which remains competitive. Economists frequently discuss our Nation's problems with a complete disregard of the effects of monopoly, oligopoly, and the artificially controlled production and administered pricing which result therefrom. Erroneously it is assumed that the three or four corporations which in each case effectively control such industries as food processing, automobile manufacturing, containers, chemicals, farm machinery, electrical equipment, steel, and many other key industries are subject to general economic influences.

Such, however, is not the case.

On the contrary, and in striking contrast, to small businesses in the competitive sector, these giants are able to do practically all of their financing by the simple process of overcharging the consumer for their products. They thus derive sufficient profit margins to buy out competitors, to expand plants, and to do anything else they decide to do without the necessity of either borrowing any money or selling any stock. They are literally, therefore, private sovereign "nations" responsible to absolutely no one except their own managements and boards of directors.

Raising interest rates has absolutely no effect in "cooling off" these giants.

The prices of their goods are fixed by decision of management and their boards of directors at the point of highest practical and defensible return. The so-called "law" of supply and demand has no effect. The prices of these commodities may actually rise, even in the face of economic conditions which would compel declines in price for competitive industries. Price competition is a thing of the past. It is no great oversimplification to say that the reason farmers receive only about two-thirds on the average in income as do the rest of the population is because the people are compelled to pay monopolistically fixed prices for automobiles.